

VAASA UNIVERSITY OF APPLIED SCIENCES

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CUSTOMER PERCEPTION OF SERVICE,  
STORE IMAGE AND PRODUCT  
ASSORTMENT – FROM AN INTERIOR  
STORE PERSPECTIVE

Business Economics and Tourism

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## FOREWORD

The importance of customer perceptions, how the perceptions are formed and the impacts they have on the success of a business has always fascinated me, hence the subject of this thesis was rather clear to me, however, the opportunity to write about this from an interior store perspective made the work even more interesting to me.

Therefore, I first would like to thank my case company, Sisustus CASA, for all their time and support; this project was only possible with their help. I also would like to express my thankfulness to my supervisor, Rosmeriany Nahan-Suomela, for all her time, assistance, advices and support.

Finally, I would like to thank everybody who has encouraged me and influenced me during the entire process.

Vaasa, 17 May 2010

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## ABSTRACT

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It is only when you know your customers' perceptions of your business, your service and your products, that you truly know whether your business is going in the right direction or not. Everything what the customers see, hear and experience is linked together and forms their overall perception of the company. A substantial amount of studies on customer perceptions have been done but findings from an interior store perspective are few, moreover, the findings are very industry specific and therefore, not necessary applicable. This study is done for a case company, an interior store, specialized in design furniture.

The purpose of this thesis is to find out how the case company's customers perceive them, both when it comes to the actual store itself but also, more importantly, how the customers experience the service they receive and the products they are offered. The first objective of the study is to analyze the existing customers' perceptions of the store, the products and the service. The second objective is to investigate how the case company can use this knowledge and develop the business and customer service even further. In addition, the thesis refers to several international articles about customer perceptions, these articles will also be examined in order to find out if the findings are applicable for the local case company.

The answers to the stated research questions were gathered by conducting a quantitative questionnaire among the case company's customers. The results showed on the strengths and the weaknesses of the case company. The customers deemed that the case company sell products of high quality and unique products that cannot be found elsewhere in the region, however even though they offer

excellent customer service this cannot be seen as the one factor that gives the case company most advantage compared to other stores.

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Keywords	Customer perception, image, customer service, product range
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# VASA YRKESHÖGSKOLA

Internationell handel

## ABSTRAKT

Författare Emma Aspfors

Lärdomsprovets titel Customer perception of service, store image and product assortment – from an interior store perspective

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Det är endast när man vet kundernas uppfattning om ett företag, dess service och de produkter företaget erbjuder som man på riktigt vet i vilken riktning företaget går. Allt det som kunderna hör, ser och upplever påverkar i någon mån deras uppfattning om företaget. Det har redan tidigare gjorts en hel del undersökningar kring detta ämne men undersökningar ur ett inredningsföretags synvinkel är få, dessutom är resultaten oftast användbara endast inom den specifika bransch de är gjorda. Därför är denna studie gjord utifrån detta perspektiv, för ett inredningsföretag, specialiserat på design möbler och inredning.

Syftet med denna studie är att ta reda på hur företagets kunder uppfattar dem, både när det gäller specifikt deras butik men också när det gäller den service och de produkter de erbjuder. Målet med studien är att analysera kundernas uppfattning samt undersöka hur företaget kan använda sig av denna kunskap i framtiden för att utveckla deras affärsverksamhet och kundservice ännu mera.

Svaren till de framställda frågorna samlades in genom en kvantitativ undersökning bland företagets kunder. Resultaten från frågeformuläret visade klart på företagets styrkor och svagheter. Bland annat ansåg kunderna att företaget säljer unika produkter av hög kvalitet, även deras service var av hög kvalitet men denna faktor kan inte ses som deras största konkurrenskraftiga fördel jämfört med andra företag.

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Ämnesord kunduppfattning, kundservice, image, produktutbud

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## 1. INTRODUCTION

One of the best ways to raise the service level is by knowing the customers perceptions (Zemke, Woods 1998, 273). Therefore, the focus of this thesis will be on how a small retail business can develop their customer service, image and product range by knowing how their customers experience them. Retail businesses do not only nowadays face competition from other retailers; they also face competition from, for example, mail order catalogues and internet shopping, in addition retailing have nowadays become much more international. For that reason, it is essential to recognize customers' needs and wants, as well as which the elements are that attract them to visit particular stores. (Paulins, Geistfeld 2003, 371) Ab Sisustus Interior CASA Oy is the case company. The company is an interior store situated in Vaasa. The store is specialized in classic and trendy design furniture and lightning.

The concept of customer perception is built up by customer experiences, how they perceive the service they are offered and ultimately by whether they actually are satisfied with their experiences or not. One way of competing more successfully for small businesses today is by offering true customer service and service quality (Wilson, Zeithaml, Bitner and Gremler 2008, 78). Eventually, the success of the business is settled by how strongly the image of the store and the products the store is selling meet the customers expectations. (Porter, Claycomb 1997, 373)

Personal customer service is a crucial aspect of the case company's business idea and Sisustus CASA offers, apart from the items in the store, furnishing and interior planning for both business-to-business customers and private persons. During the years of operation, the company have established many long-term customer relationships. (CASA 2009)

A Norwegian study by Solvang (2007) found out that customer service within the furniture retail business is of great importance. Compared to other retail industries, e.g. the grocery industry, the aspect of service is much more crucial for business success within this sector. In furniture stores, customers depend much more on the service and advices given by staff than in normal grocery stores,

which are to a great extent self-service oriented. It is then not surprising that customers' perception of service and the image of furniture stores are closely linked to customer loyalty and satisfaction. (Solvang 2007, 110) Customer service and customers' perceptions are always important but especially for small businesses. By knowing the customers' perception, how they perceive service, selection/products, prices, location and cleanliness, customers' satisfaction and ultimately the success of the business can be affected.

### **1.1. Research problems and objectives**

The purpose of this thesis is to find out how the case company's existing customers perceive them; both when it comes to the actual store itself but also, more importantly, how the customers experiences the service they receive and the products they are offered. What do their customers think of Sisustus CASA and what do they relate to the company's brand? How can they serve their customers even better in the future?

The objectives of this thesis are two folded. Firstly, the aim is to analyse the existing customers' perception of the store, its products and service. Secondly, the aim is to investigate how the company can use this knowledge and develop their business and customer service even further.

Quite a substantial amount of research have been done already about customer perceptions within several different context, mainly within the grocery industry and department stores. However, customer perception studies from an interior store perspective are hard to find, moreover customer perception studies done within other industries, segments and from other countries does not necessary be applicable within this context. The theoretical part in the thesis refers to several international articles about customer perceptions, hence, in addition to the stated objectives mentioned above the analysis in the end of the paper will examine if these international studies were valid within this framework.

## **1.2. Research methods and limitations**

The purpose of this study is descriptive and the research will be done by conducting a quantitative questionnaire among the case company's existing customers. The results from the questionnaires will be analyzed and discussed, at the end, possible improvements will be suggested.

Due to the limited amount of resources and time, this study will contain some restrictions. This study is restricted to only the company's business to consumer market and the focus will be on their already existing customers. Over the years, the case company has developed many long-term customer relationships; hence, the focus will be on the business to consumer market. A customer perception study will benefit the case company in the sense that they will find out how they better can serve their customers in the future. The customers' perceptions will further be restricted to only the customers' perceptions of store service, products and store attributes.

## **1.3. General company introduction**

As already mentioned this thesis will focus on one case company. In order to understand the business ideas and concepts behind this company, a brief introduction of the company will follow.

### **1.3.1. Ab Sisustus CASA Oy**

An architect originally founded Sisustus CASA in the beginning of the 70's. At that time, the store was rather unique in Vaasa and it acted more as a complement to the architect's own office. The company served its customers by planning and creating stylish design for all kind of homes and offices. The current owner, Katarina Kivistö, bought the store two years ago and today the company employs two full time workers and some extra part time workers when needed. (Kivistö, 2009)

Nowadays the company offers its customers design furniture and lightning, as well as carpets, fabrics and gift articles. In addition, as a complement to the store,

the company offers interior planning, home visits and interior textile advises (CASA 2009).

CASA's customers can be described as both business and private customers; they are customers who value timeless design products and they appreciate customer service and quality. CASA aims at always finding the best solution for their customers when it comes to interior planning and design products and they want their customers to trust on their creativity and eye for beauty (Kivistö, 2009). Choosing quality products and right materials are one way for them to make sure that the customers will be satisfied with the outcome. (CASA 2009)

The total net sale for CASA was 139.000€ in 2008, CASA is a private limited company, this can be seen from the company name, Ab (Aktiebolag) in Swedish and Oy (Osakeyhtiö) in Finnish. (ProFinder B2B 2009)

#### **1.4. Importance of customer perception**

The theoretical outline of this thesis will be divided into three main parts, the theories behind customer perceptions of service, store image and products. Before introducing and analyzing the importance of customer perception within these different categories, a short definition of perception and its elements will follow.

The definition of perception can be said as the process in which a person select, arrange and interpret stimuli, these stimuli are filtered and adjusted to become ones own view of the world. Even though exposed to the same thing, in the same environment, two persons will never experience the same. (See e.g. Schiffman and Kanuk). We live in a world today where we daily are exposed to millions of different stimuli; different smells, sounds, tastes, sights and textures. Our brain takes in and processes only a small number of all these stimuli. (Solomon, Bamossy, Askegaard and Hogg, 2006, 36)

The whole perception process is made up by three stages, the exposure stage, the attention stage and the interpretation stage. The brain takes in the stimuli in the attention stage and interprets the stimuli, according to our previous experiences

and desires, in the interpretation stage. Ultimately, these three stages form our perceptions. (Solomon, Bamossy, Askegaard and Hogg, 2006, 36)

It is only when the customers' perceptions of the business, the products and the services are known, that you truly know whether or not the business is going in the right direction. All interactions that occur between the customers and the business will ultimately affect the customers' view and image of the business. Excellent customer service is far from enough, for example, if the store is located far from the customers and on a place where there are no parking places outside these aspects will effect the perceptions. Selling top class products is a prerequisite for many stores in order to keep customers, but if the staff is unfriendly, the store will eventually start to lose its customers. All what customers see, hear and experience is linked together and forms their overall perception of the business, this is why it is essential for the case company, Sisustus CASA, as well as for all businesses to know the customers perceptions.

The meaning of customer perception is most often used in the content of how customers perceive the quality of the service they are offered. More widely speaking customer perception is also the customers' overall picture of the company, including company image, expectations, external influences, service quality etc.

## 2. CUSTOMER PERCEPTION OF SERVICE

In this part, customer's perception of service will be discussed. Firstly, the importance of high quality service will be considered and later on the elements of service quality; the technical, functional and relational quality dimensions will be argued. At the end, the advantages and disadvantages with the SERVQUAL model will be explained.

Customer's perception of service quality can generally be divided into the perception of reliability, responsiveness, assurance, empathy and tangibles. These aspects will be discussed more profound later on, as the SERVQUAL model is explained. Together with the product price and quality, service quality forms the broader concept of customer satisfaction. Ultimately, if customer's experiences exceed their expectations, customer satisfaction together with situational and personal factors will result in customer loyalty (Wilson, Zeithaml, Bitner and Gremler 2008, 79). It is of great importance, to win customer loyalty especially for smaller businesses. Small businesses do not have the same budget as larger companies, and keeping existing customer is by far much cheaper than finding new ones. Offering excellent customer service will not only lead to customer loyalty, it will also give smaller firms a competitive advantage against larger companies (Longenecker, Moore, Petty, Palich 2005, 290). However, customers' service expectations varies according to store type, customers expect a much more wide-ranging service in specialty stores compared to discount stores. Sisustus CASA can be described as a specialty store in this perspective, why customer service can be seen as essential (Paulins et. al 2003, 371).

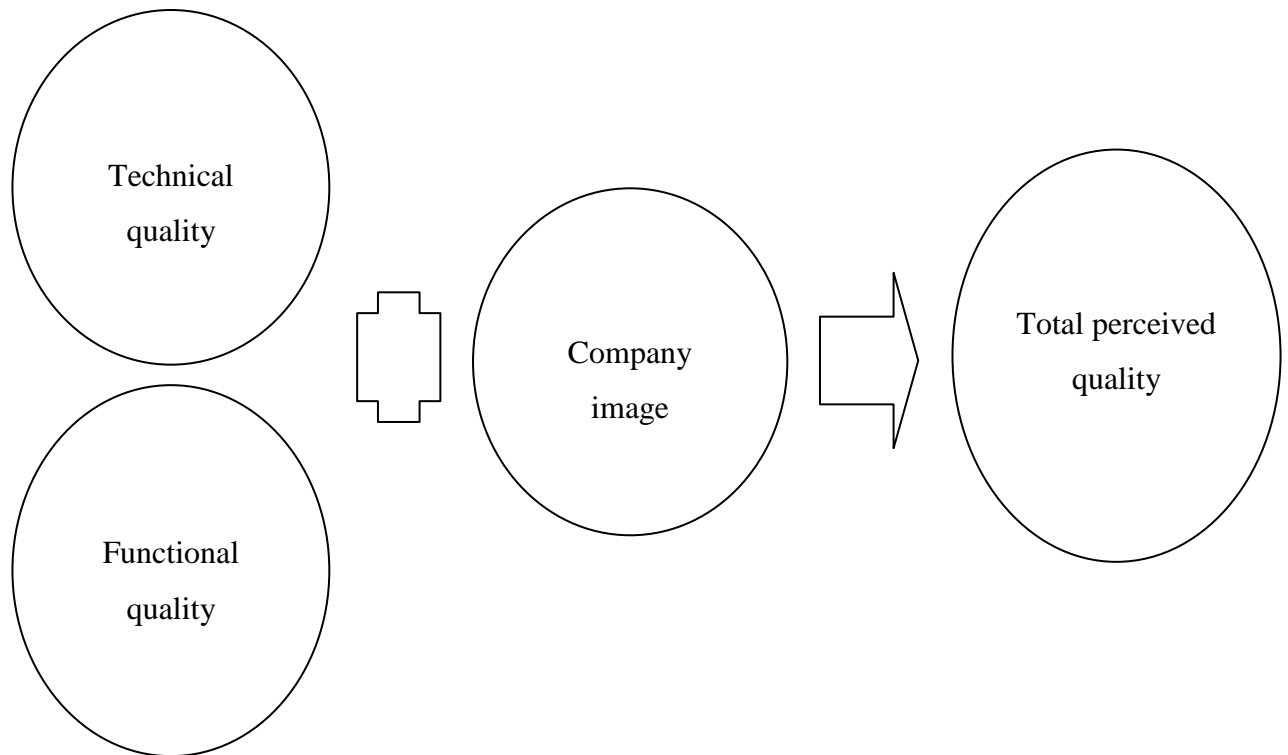
### 2.1. Quality elements

Another way of explaining the concept of perceived quality is by looking at the quality dimensions. *What* customers obtain and *how* they obtain it, or in other words the technical and functional quality. Every time an interaction between a customer and a seller occurs, the outcome of the interaction will affect the customer's perceptions. If a customer selects a design chair from an interior store it can be explained as the technical quality of the outcome. The customer can

evaluate this buyer-seller interaction rather objectively; it is what the consumer is left with: the product (Grönroos 2000, 63-65). The technical quality is also associated with the merchandise selection and the width and depth of the product range, hence this will be discussed in more detail under the product range section (Odekerken-Schroder, Wulf, Kasper, Kleijnen, Hockstra, Commandeur 2001). The second dimension, the functional quality dimension, is on the other hand more complex for the buyer to measure. This is how the customer receive the service of picking out a design chair and to what extent the sales person is professional. Can s/he give good advises or are there other disturbing elements e.g. other customers or poor lightning. All these factors will have an impact on the customer's perception of the whole service process. These dimensions will, together with the company image form the total quality perception (Figure 1).

Even though an interior store is selling top design products and is offering well-known brands, it does not mean that the customer's total quality perception is excellent. If the staffs are lacking interior skills, if the services they are offering are unfriendly or if the atmosphere in the store is appalling it does not matter how good products they are selling, the image of the company will not be good. If mistakes occur, which they do sometimes, it is easier for a company with an already well-known image to repair them without it necessarily having to affect the company image, as customers often then are more tolerant. However, mistakes made by a company with an already damaged image will be seen by customers as larger failures than they actually might be. A good company image can in many cases act as a protecting filter for a bad quality perception. (Grönroos 2000, 63-65)





**Figur 1: Total perceived quality (processed) (Grönroos 2000, 65)**

### **2.1.1. Quality as a loyalty factor**

Oderken-Schroder et. al suggest that a third quality dimension, the relational quality dimension, might give retailers operating in branches where service or product quality are of similar levels, a competitive advantage (Oderken-Schroder Wulf, Kasper, Kleijnen, Hockstra, Commandeur 2001).

The relational quality dimension is referred to as the chance for customers to socialize and interact with other customers or staff during shopping. This dimension can sometimes be the leading reason for customers to visit certain stores and this dimension is part of the customers overall perceptions of the store, even if it can be evaluated rather unconsciously by customers (Odekerken-Schroder et al 2001, 307-322). This is relevant for stores operating in the furniture industry. Haelsing, Swoboda, Morschett and Schramm-Klein's study supports this when arguing that customers within the furniture segment always expect some

service and therefore it is difficult to use service quality as a competitive advantage (Haelsing, Swoboda, Morschett, Schramm-Klein 2007, 428).

The findings of Oderken-Schroder et al's study show that higher levels of relational quality lead to store loyalty, especially among women, while in contrast higher levels of functional or technical quality does not or not at least to the same extent. Moreover, the findings are equally among small and large stores as well as among grocery and non-grocery stores, making the current study also valid for Sisustus CASA. Relational quality can be encouraged for example, by, arranging sitting areas in the store, by offering refreshments or by organizing customer events (Odekerken-Schroder et al 2001, 307-322).

However, the relational quality dimension can also be referred to as the relationship to the service provider, perceived by the customer. The two most central aspects are then that the customer is familiar with the business and the service provider and that the customer has confidence in the company. The better the customer and the service provider know each other the more valuable the interaction between them will be. (Bruhn, Georgi 2006, 136-137). Since the case company is a small store with many long term, well known customers the relational quality dimension can be argued to play a significant role when it comes to the customers perceptions of the total service quality.

## **2.2. SERVQUAL**

Service quality was clarified in the previous parts with the help of the quality dimensions. The most widely used method to measure customer perceived service quality is with the SERVQUAL model by Zeithaml, Parasurman and Berry (1988). This instrument was originally based on 10 different determinants and on the aspects of customer's service expectations and service experiences delivered. In a later study, these determinants were reduced to the five determinants mentioned previously in the text: reliability, assurance, tangibles, empathy and responsiveness.

Reliability: The firm provides its customers with the right service, at the right time and without mistakes from the beginning.

Assurance: The customers believe in the firm and feel safe with the service provided. The employees are service minded and professional with sufficient knowledge.

Tangibles: The firm's facilities and equipments are appealing as well as the service personnel's appearance.

Empathy: The firm tries to solve its customer's troubles in the best way and always acts in the interest of its customers.

Responsiveness: The firm gives its customers proper service and is always service minded.

The total perceived quality is calculated by using several attributes describing the determinants. The respondents are asked to measure how well their expectations meet their experiences. The general score is based on the gap between their expectations and experiences. Except for the overall score determined, the scores for the individual determinants are vital for finding out specific service quality perceptions. (Grönroos 2000, 73-78)

Even though the SERVQUAL model has been widely used it has also been exposed to a substantial amount of discussions and criticism (see e.g. Gilmore 2003, Szwarc 2005). The most common criticism given is regarding expectations/experiences. Depending on what you want to find out different kinds of expectations can be measured, and the time when you measure the expectations are crucial for the validity of the research. If measuring expectations at the same time, or after, measuring experiences it might not be the right expectations measured. On the other hand, measuring expectations on before hand can also give misleading results. The respondent's later experiences can change his/hers expectations and then the quality perception will be misleading, since wrong expectations are compared with the respondents experiences. (Grönroos 2000, 73-78)

Measuring perceived service quality according to the gap between expectations and performance often leads to the apprehension that lowering customer expectations and over deliver is the best way of ensuring that customer expectations will be met and surpassed. A study made by Hamer 2006 argues that this might not be the best way of increasing customer perceived quality. Under promising will give the customers an image of the firm as a “low quality service provider” and even though the customer’s expectations are exceeded, the image of a company with low service quality will somewhat remain. The same is true also the other way around, expecting great service will give the company a image of great service providers, if they meet these expectations, even though the gap between high expectations and high experiences are non-existing or small. Under promising but over delivering can still give the customers the perception of good service quality but it will not lift the business to its most advantageous level. Reasonably promising and to deliver what has been promised would increase customers perceived service quality the most. (Hamer 2006, 219)

As opposite to the SERVQUAL model, Hamer’s study proposes that perceived service quality should not be measured comparing expectations against experiences. Instead, expectations and perceived performances should be measured independently and then averaged. (Hamer 2006, 219)

The SERVQUAL model was explained in this context because it is the most widely used model to measure service quality, however, it has never completely been proved that the SERVQUAL model is the most suitable instrument to use from an retailer perspective. The instrument was originally created to measure only customer perceived service quality but in order for the instrument to be valid from a retailer perspective additional dimensions needs to be included. The reason behind this is that there are many other things that affect customers perceived service quality when shopping for products in a store than when only receiving pure service. Everything that happens from the minute the customer enter the store until the customer leaves with the product will affect the perceived service quality. (Dabholker, Thorpe, Rentz 1996, 3-16)

Within this context the additional dimensions of customer perceptions of store attributes and product range is added in order to fully understand customers perceptions of the case company. Hence, this study will not only measure customer perceived service quality.

### 3. CUSTOMER PERCEPTION OF STORE IMAGE

Last chapter discussed the importance of service quality and the elements of service quality and how it can be measured. In this part, the focus moves from customer perception of service to the importance of customer perception regarding store image and store atmosphere. The concepts of store image and store atmosphere are in many cases very blurred and the concepts are often used concurrent. Therefore, a short definition of the concepts used will be given in the beginning of both parts. This chapter will also reflect on the role our senses play when forming perceptions and how our own self-image affect store perceptions. Retailers store image differs a little bit from the store image of for example manufactures. It is not only the image of the products the retailer is selling that affects them; the store also has an image of its own (Schiffman, Kanuk 2000, 150-151). At the end of this chapter, the Mehrabian-Russell model will be explained and the usefulness of the model within this context will be discussed.

#### 3.1. Store image

Store image = store image can basically be defined as customers perception of a store, or in other words what customers think of a store based on the stimuli they receive with their senses. (Peter, Olson 2005, 484-485)

Dimensions frequently included in the store image concept, except for store atmosphere, are for example customer's image of facilities, clientele, convenience and products. These dimensions are explained by several attributes, for example, a product can be explained by the attributes of price, quality, design and range. Creating an appealing store image that speaks to ones customer segment is important for retailers in order to attract customers (Peter, Olson 2005, 484-485). Attracting customers and differentiating one from competitors have become increasingly important. The store image is also something that continually needs changes as shopping behavior and competition changes. (Peter, Olson 2005, 484-485) This can be illustrated with the Whoolrich example. Whoolrich is one of America's oldest outdoor clothing companies. When they updated their store image in a more fashionable way, their home product sales increased with a

significant 50% the first year. (Horstdesign 2009) This shows the importance of knowing how the customers experience the store and knowing the customers needs and wants. The key for a successful store image is to create an image that matches with the targeted consumer's expectations and with the overall objectives. A well-managed store image is crucial because it affects:

- The store position in the mind of the consumer
- Customers store preference
- How often and from how far customers visit the store
- Customer loyalty

The better the image of the store is the more the customers will be attracted to it (Newman, Cullen 2002, 243-244).

When elucidating the concept of store image in more detail it can be split into two different elements. The physical characteristics of the products sold in the store, e.g. quality, availability and price, as well as the psychological effects these characters have. The second element includes the store exterior and the interior design e.g. store layout, atmosphere, and displays. (Newman, Cullen 2002, 243-244)

The customer's image of himself or herself also plays a major role in the store image concept. The store image needs to send signals of belongingness to the customers. Social factors are very important here, as customers tend to choose stores that fit their self-image or their desired self-image (Newman, Cullen 2002, 243-244). A common method when observing the most important store dimensions for a particular store is to look for congruency elements connecting the targeted customer's self-image to the store image. If there are strong connections between the self-image and the store image the level of store loyalty will be higher. For example, people who emphasize individuality look for stores who share the same dimension. The store choice will be made based on connections between important elements in their self-concept and stores with an

image that share these personal values. Another example illustrating the same could be: “I am a trendy person with high class therefore, I also shop at a store with a high class image”. If the persons perception of a store is high class, but also that the store is not trendy, shopping at that particular store will create a conflict among that customer since she also see herself as trendy, this will probably lead to that the customer is not fully loyal to the store. If storeowners know what is important to their targeted customers they can use this knowledge and create a store image based on the same values (Davies, Ward 2002, 184-187) (Omar 1999, 108-109).

A favorable store image does not only affect purchase behavior in a positive way, it can also provide the customers with “added value”. Benefits in the sense that customer’s feel that a particular product is worth more when it is bought from a certain store. For example, some people might feel restrained telling friends that they bought a chair from a low-fashion furniture store located in a suburban area outside town. As it feels much better telling them that, the chair is bought from a fancy furniture store in the city centre, even though the chair is cheaper in the non-fancy store. Buying from the fancy furniture store gives the customer a feeling of “added value” because the image of that particular store is high and it matches with the preferred self-image of the customer. A favorable store image does not only act as a competitive advantage, customers are also prepared to pay more for the products and it gives the retailer an advantage when discussing with suppliers (Davies et. al 2002, 187-189).

A positive correlation between store image, customer satisfaction and ultimately store loyalty has been found in several researches (see e.g. Bloemer and de Ruyter 1998). However, one has to be careful with the concept of store loyalty since there can be several reasons behind it. Shopping at one store all the time does not necessary mean that the customer is loyal to that store, it can simply mean that the store is close by the workplace and that there is good parking places outside. As soon as there is another store closer by, the risk is that the customer change store.

As already mentioned a flattering store image can be seen as a competitive advantage and it is an advantage complicated for competitors to copy. However, if



damage occur to this image it can be even harder to restore it than to build it in the first place. (Davies et. al 2002, 189-190)

### **3.2. Store atmosphere**

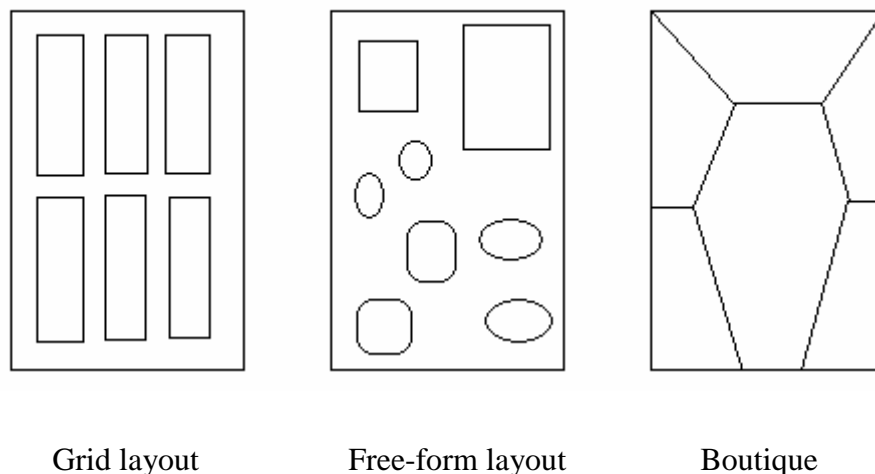
Store atmosphere = Store atmosphere is the more unconscious concept involving customers emotions in the store. These emotions are, to a certain extent, complex for customers to explain fully. Store atmosphere is usually included in the broader concept of store image (Peter, Olson 2005, 484-486).

Among others, Donovan and Rossiter (1982), found in their research that creating a pleasant and stimulating store environment has an impact on the time and money spent in the store, on top of that it also affects shopping enjoyment, enthusiasm to speak to employees, spending additional money and on the possibility of returning to the store (Peter, Olson 2005, 485-486). However, a poor environment compared to competitors located close by, have a larger effect on purchase decisions than a pleasant environment. A poor environment can affect customers to that extent that they actually choose another store for their purchases. (Davies, Ward 2002, 163)

The store environment or layout, as explained above, plays a major role in customer's perception of stores and depending on store type, the layout can be planned in different ways in order to draw the customer's attention to different things. A *grid layout* is the typical layout often used in supermarkets and grocery stores. The main idea with this layout is to force the customers to see or have contact with as many products as possible while in store, this will increase the likelihood for additional purchases. Often the most purchased products are placed at the back end of the store or in the end of an aisle so that customers have to pass by as many other types of merchandises as possible on the way. Another common feature of this layout is to place more costly products along the main routes; this increases the possibility of more expensive purchases. (Peter, Olsen 2005, 490-492)

The most common used layout in boutiques and specialty stores are the *free-form layout*. This layout aims at creating a relaxed atmosphere that encourages impulse

buying. The products are usually arranged in different groups allowing customers to easily browse through the products and stroll freely. The disadvantages with this layout are the possible confusions it can create among the customers and that it is rather costly (Peter, Olsen 2005, 490-492). Another layout often used as a complement to the free-form layout is the *boutique layout*. This layout is also most often used in small specialist stores and therefore a layout suitable to discuss within this framework. The advantages for the retailer with this layout is that it creates a high-class feeling of several departments within the same small space while the customer still can see the entire product range. One disadvantage with this layout is that it is rather costly since most of the products are placed around the walls leaving empty spaces in the centre of the shop. A fourth layout commonly used is the *Loop layout*, with help of aisles this layout guides the customer around the entire store, however this layout is suitable to use in larger stores and are therefore not applicable for Sisustus Casa (Newman, Cullen 2002, 253). The most popular way of arranging products in furniture stores are to arrange them as showrooms. This can be done by applying the free-form, boutique or loop layout. The different kinds of layouts are illustrated in figure 2.



**Figur 2: Store layouts (Newman et al 2000, 251)**

A store does not necessarily have to follow one model completely; they can also use a mix of different models. However, the main ideas with these layouts are to manage space, the flow of customers, to keep costs down and to support the store attributes and eventually the store image. (Newman et al 2002, 255-256)

As already discussed, all individuals are exposed to millions of different stimuli every day. Retailers have numbers of different stimuli to use in order to attract customers and to create a favorable in-store image and atmosphere. Products, colors, lightning, employee appearance, music, indoor temperature, smells, decoration, shelves and signs are only a number of different attributes that can be changed and arranged in diverse ways in order to affect customer's perceptions. For example, studies have shown that it is clever to display the products you want to sell the most on an encounter to the right of the entrance, since 80 % of the customers turn right when entering a store. If the intention is to create a store image of high quality, it is advisable to use a certain light on the products, since it gives the customers a feeling of higher value. There have been a lot of different research made in this area but the results vary. Some find these attributes to be very important and others find them to have little or no effect. However, the findings are often very store/industry specific, what works in one store and in one environment does not necessary have to work in another one. Therefore, when studying similar attributes it is useful to compare them to close competitors or stores operating in the same branch, this will give a picture of the strengths and weaknesses among the stores. This can later be used in order to create a more suitable store image. (Peter, Olson 2005, 491-493)

We obtain stimuli through our five senses and for that reason, a brief discussion on how they influence our perception when we enter a store will follow. What is important to keep in mind though is that it is difficult to predict the outcome when the senses are used together; most studies are done concentrating on one single element. Another important aspect is the congruity, all the elements used should fit in the environment and when considering larger stores neutral elements are preferable in order to avoid that customers perceptions will be negative. On the other hand, smaller stores, as for instance the case company, can use the

advantages senses can give the store environment largely because they have fewer customers and less different perceptions to take into consideration. (Sullivan, Adcock 2002, 158)

### **3.2.1. Sight**

It is through our eyes we can see different colors and light. The importance of right kind of lightning in a store has already briefly been mentioned, it can among other things affect how we view quality. Color has also proven to have both physical and psychological influences on humans. Colors are of course important especially in the home-furnishing business since it is a business that is easily affected by trends. Consumers shopping at specialty stores and boutiques are very trend conscious. Except for the importance of having the right colored store due to trends, colors also affects customer perception and buying behavior. Studies have shown that customers are easily drawn to yellow and red (warm colors) while cool colors like blue and green often are perceived pleasant. It is therefore advisable to use warm colors in store windows and at places where impulse buying occurs. Blue, green and other cool colors can be used in stores were customers are spending more time thinking over the purchase decision (Peter, Olson 2005, 494; Solomon et. al 2006, 40-42).

### **3.2.2. Hearing**

Music in stores is nowadays a common character; this is not surprising since it has been shown in research that music have an impact on people's behaviors and emotions. Playing slow music in a store will most likely have the effect on consumers that they spend more time in the store, are more relaxed and then most likely spend more money than if the music playing was up-tempo. This is of course a good reason for playing slow music but depending on the intentions of the store, up-tempo music can also be favorable. In a fast food restaurant the owner's intentions are that as many persons as possible will decide to stop for lunch. If playing slow music, their customers would stay longer, take up expensive sitting space and prevent other customers from coming in. In order for music to be favorable for the storeowners, it has to be matched with their

objectives. Relaxed customers' perception would certainly be better than non-relaxed customers would, but the objectives of a store do not always go with the customers (Peter, Olson 2005, 495; Solomon et. al 2006, 43-44).

### **3.2.3. Touch**

This sense might not be regarded as important when shopping but it still might have an impact. The amount of touching in interpersonal connections differs very much depending on different cultures. Hand shaking is much more commonly used in customer/seller interactions in French than in for example Britain. A more vital aspect of touch when considering store layout is the associations different textiles have. Silk is among females usually linked to a luxury feeling while cotton is considered to have less quality. This is something to consider not only when offering clothing or bedding products but also when choosing textiles to the store. If the objectives are to create a customer perception of high quality, the advices are to choose fabrics as silk or wool while, for example denim, especially among males creates a feeling of roughness. (Solomon et. al 2006, 44)

### **3.2.4. Smell**

Smell, as all the other senses, can influence buying behavior. Customers can associate scents rather strongly with different products and feelings and it can provoke memories and emotions from the past. No matter if, the scent is related to a specific product, like leather or coffee, or if it is associated with the whole store, it can affect customer's perception. It is relatively hard for customers to express a certain perception with a certain scent. Nevertheless, without the scent customers might communicate a different perception. For example, Spangenberg (1996) argues that scents of orange, ginger, lavender or spearmint in stores influenced customer assessments of the products, the store and their buying behavior more than stores without these scents. Scents can be one way for stores to differentiate themselves from their competitors, but it is important to remember that it is very individual how different scents are experienced and what memories they awake. A scent experienced very light by one consumer can be very heavy to another, and

there are individuals who are very sensitive, even allergic to certain smells. (Peter, Olson 2005, 496)

### **3.2.5. Taste**

Taste is maybe one of the less active senses when customers form perceptions about stores but it is still an important sense used when forming perceptions about other things, especially when for example evaluating grocery products. Knowing consumers taste preferences are very central for the food industry when segmenting and positioning a new product (See e.g. Solomon et. al 2006, 45-46).

### **3.2.6. The Mehrabian-Russell model**

The Mehrabian-Russell model was developed in 1974 and gives a deeper insight into behavioral theories and how these can be influenced. The basic idea behind the model is that the store environment affects customer's perceptions and behaviors within a store. The model is built up by the elements of environmental stimuli, emotional states and behavior. The environmental stimuli are the stimuli we receive with our senses, as explained above in the previous part (sight, hearing, smell etc.). After interpreting these stimuli received when entering a store, an emotional state expands, either one of pleasure or of arousal. The next step that follows is a response to the emotional state through a behavior. The behavior that will follow is most likely either approach or avoidance related. An approach, or positive, related behavior is of course the more desired one, this means that the customers gets a good feeling in the store and therefore wants to spend additional time and thus the likelihood of a purchase is increased. (Sullivan, Adcock 2002, 138-139)

This model can be used for creating an appealing store environment if the owner understands customer's reactions to different types of store design elements like atmospheres or displays. When understanding these reactions correctly exact environmental stimuli can be created, this is a prerequisite for building the desired emotional state that will affect the customer's in-store behavior positively. However, it is important to remember that it is difficult or even impossible to

influence thoroughly customer's perceptions and behaviors. Everyone already carries an existing emotional state when entering a store and those emotions may influence the emotions received in-store (Sullivan, Adcock 2002, 138-139). This model is useful when looking at the emotional responses unaccompanied, but perceptions can arise from other sources than only the emotional, since customers can respond to store environments cognitively or physiologically as well (Sweeney, Wyber 2002, 51).

#### **4. CUSTOMER PERCEPTION OF PRODUCT RANGE**

How do customers choose their products and what kind of products should be offered to them? This part will deal with these issues as well as consider the importance of developing an appropriate merchandise strategy. In addition, this chapter will concentrate on the impacts width and depth assortments may have, and how it influences customers' perceptions. However, these issues are as well closely connected to the theory about customer perception of store image presented in the previous chapter. The portfolio Matrix will be presented in this chapter as one way of maintaining control over product performances and the improvement of these performances. At the end of the chapter the importance of arranging and displaying products in-store, will be discussed. Examples will be given on how this affect customer perceptions on both the product range and store image.

When deciding what products to offer the consumers it is essential to remember that humans in general have very few basic needs, a roof over the head and food in the stomach is enough for survival. However, when the basic needs are fulfilled infinite amounts of other needs and wants are created. All humans strive to accomplish some of these needs and wants, taking into consideration the limited amount of resources. Ultimately, customers will choose the products or services that provide most satisfaction for money. A lamp bought from the grocery store can very well meet the basic lightning needs and be a good budget buy, but for others a designer lamp by Arne Jacobsen will create a much higher demand, even considering the price difference. At the end, the consumer will choose the lamp that gives most value for the money spent. (see e.g. Kotler, Armstrong, Wong, Saunders 2008, 9)

A retailer should never forget that the products they are offering are not only plain products; it is products providing the customers with a solution to their problems. Offering a customer a normal lamp might solve his/her need for lightning but it might not solve his/her underlying desires for a designer lamp, a lamp that is not only practical but also nice to look at. The case company can be described as a



specialty store for furniture, lightning and decoration and therefore, they should not only offer their customers plain products, they should instead focus on offering products that give brand significance and brand experience to their customers. (see e.g. Kotler, Armstrong, Wong, Saunders 2008, 9)

#### **4.1. Product strategy**

When developing a merchandise strategy the focus should be on choosing the right mix of products and services that gives the store the right personality and that complements the desired store image. The merchandise assortment should give a clear reflection of the stores positioning plan. A right chosen merchandise strategy should offer the customers a positive shopping experience, meet their expectations, solve their problems and affect the perception of the store image in a positive way. The merchandise strategy is ultimately up to the storeowner and his/her vision of the store (Davies, Ward 2002, 153-155).

All merchandise planning usually goes through the stages of planning, sourcing, purchasing, placing, presenting and space management (Newman et al. 2002, 143). Selecting the right merchandise strategy is a balance between customer demand, cost of inventory and competitors offers. By offering different products than competitors and market leaders, small retailers can differentiate themselves and get a competitive advantage. However, when selling similar products the only way for a small retailer to stand out among competitors is by offering outstanding service, having an appealing store environment or by offering convenience (Davies, Ward 2002, 153-155).

Competing with low prices is in many cases impossible for small stores. Haelsing et al found out that customers within the furniture branch always anticipate some service when entering a furniture store. This means that it is more difficult to use service quality as a way of differentiating oneself from competitors within this segment compared to other branches. In addition, the researchers discovered that out of five different sectors, furniture retailing is the only sector where customers consider price as the main retailer aspect (Haelsing, Swoboda, Morschett, Schramm-Klein 2007, 428). One way for a small retailer to create a competitive

advantage is to offer something different. This can be done by ensuring that the supplier does not offer the products to any other retailer or by offering something unique.

#### **4.1.1. A width vs. a depth assortment**

Width assortments: the amount of different product lines that are found in one store.

Depth assortments: the number of different colors, sizes, prices etc. within a specific merchandise line (Gilbert 2003, 146-147).

When planning the product range the question will always be how many different products to offer and in how many different types the products will be offered. Grocery stores usually carry a width assortment; the product range can then be up to several thousands of products while specialty stores carry a narrower assortment but with additional depth (Gilbert 2003, 147). Besides the question of how width versus depth the assortment should be, the breadth, consistency and flexibility of the assortment must be considered. A breadth assortment carries several different products within each product class, while the assortment is considered consistent if the products sold are related to each other concerning value, use or image.

Below the most typical merchandise mix strategies are presented in table 1 (Omar 1999, 185-186)

**Table 1: Merchandise strategies (Omar 1999, 185-186)**

<b>Deep and narrow assortment</b>	<ul style="list-style-type: none"> <li>• A typical specialty store strategy</li> <li>• Several brands and styles within the represented branch</li> </ul>
<b>Deep and wide assortment</b>	<ul style="list-style-type: none"> <li>• A store that offers many product lines as well as a good selection of products within each line</li> </ul>
<b>Shallow and narrow assortment</b>	<ul style="list-style-type: none"> <li>• A store that sells only the most commonly</li> </ul>

	<p>needed products</p> <ul style="list-style-type: none"> <li>• Little depth within each product line</li> <li>• E.g. R-Kiosk or Siwa</li> </ul>
<b>Shallow and wide assortment</b>	<ul style="list-style-type: none"> <li>• A store carrying many different product lines</li> <li>• Few amounts of products within each line</li> </ul>

A study made on which the impacts width or depth assortment has on customers perceptions concluded that customer's responses to, a width assortment, often are a decreased brand loyalty, price sensitivity, a greater tendency for trying new products and sensitivity to in-store advertising. This supports the theory that when carrying a width assortment it is easier to influence the customers buying behavior, but carrying a depth assortment gives the advantage of more product brand loyal customers. For a small store, brand loyal customers are important since they are largely less price sensitive and this gives the retailer the possibility of higher margins. Carrying out a depth assortment often leads to higher inventory costs but research made on depth assortments also discovered that a reduction of products does not necessary have an impact on customers perception of product variety. If customers find their favorite products, they do not notice that the number of products offered has decreased even if it has decreased with twenty-five percent or more, as long as the category space is held stable. On the contrary, decreasing the depth assortment too much may even result in a change of market position and a change of competitors. The assortment range has furthermore proven to have a significant effect on buying intentions (Davies, Ward 2002, 160-163).





By adding, some merchandise that is more luxurious than merchandises normally offered or by offering some innovative, new design products, the store can improve its image. The amount of products sold within this category might be only a small percentage of the total amount of products sold, but it will give the

customers an impression of a store that offers the newest products and this will attract customers into the store (Omar 1999, 179).

#### **4.2. The portfolio matrix**

The portfolio matrix is one simplified way for storeowners to keep track on their products performances. The portfolio matrix originates from the portfolio-planning tool first developed in the early 70's by the Boston Consulting Group. This tool was initially designed for multi industry businesses but it is applicable for single business owners as well. The main difference is that, the matrix consists of products or product lines. The advantage with this tool is that it can give indications on how different products or product lines are performing and how their performances can be improved. However, the tool should not be seen as the ultimate solution but rather as an approach, that visualizes the current situation. (Omar 1999, 364-368)

Figure 3 describes the four different sections within the matrix. When placing products/product lines within the matrix they can be placed within sections or between sections. Depending on where the products are positioned different measures needs to be done and questions like product positioning, product range and promotion needs consideration. Nevertheless, the main considerations will always be customer perceptions, profitability and external market happenings. (Omar 1999, 364-368)

<p><b>Star</b></p> <p>A product that generates a lot of cash. Needs to be placed at a prime site in the store in order to attract customers.</p> 	<p><b>Question marks</b></p> <p>A new product, does not generate much cash, yet. The product needs promotion and shelf space to facilitate establishment.</p> 
<p><b>Cash cow</b></p> <p>A steady product that generates cash and that does not need prime shelf place or a lot of promotion.</p> 	<p><b>Dog</b></p> <p>This product takes up important shelf space but generates only a limited amount of cash. The product should be taken away if it does not support products from the star or cash flow section.</p> 

Figur 3: The portfolio Matrix (Omar 1999, 364-368)

### 4.3. Arranging and displaying of merchandise

In this part, the importance of arranging and displaying the products in store are presented. This is strongly related to the customer's perception of the in-store image, which furthermore have impacts on sales volumes. The aim of arranging and displaying products are of course to make them more attractive and visible in the eyes of the consumer. The traditional view has been that there is only a need for creative arrangements in branches where shopping is more seen as a leisure activity. Current research made on the area suggests conversely, that good arrangements and displays are of great importance within all retail sectors.

Displaying products right in store has proven to have an impact on purchasing decisions. A product should be displayed individually when the product is seen as

an attractive product or more attractive than other products within the same line. Conversely, merchandise seen as less attractive is more likely to be purchased when displayed together. When displayed together consumers compare the products grouped together and will make a purchase decision based on that comparison (Davies et. al 2002, 156-159). Sisustus CASA can affect their customers purchasing decisions largely by arranging the products in an attractive way. People visiting design furniture stores are often very aware of what they want and of what their taste preferences are, but they are looking also for inspiration and by arranging and displaying the products right the store can meet their customer's expectations and create needs and wants.

The merchandise strategy and the management of it need to be paid a substantial amount of attention. From the storeowner perspective, merchandises offered are what ultimately generate profit and sales. From the customer perspective, merchandise is one part of the shopping experience. However, theories behind merchandise strategy vary and are found in several different frameworks and it is difficult to find valid and suitable approaches for specific retail environments. The reasons behind this stem from the fact that merchandise strategies for one branch does not necessary have to be valid for another one. Merchandise strategy is so close connected to other aspects such as service and store environment that if only looked at on an individual level the results or models are hard to apply consistently (Davies et. al 2002, 171). Hence, customer perceptions of service and store attributes is a good complement to studies concerning product range.

#### **4.4. Summery of theory**

In the last three chapters the theory behind customer perceptions of service, store attributes and product range have been discussed. The presented theory has been chosen in order to give the reader a clear picture of the theory framework, as well as, lay a good foundation for the coming research.

The theory review examined the importance of customer perception studies. From a retailer point of view it is important with high service quality, if the service exceeds customer expectations it most of leads to customer satisfaction which in

the long run can lead to customer loyalty. For a small specialty store within the furniture business, as the case company, it is important with high service quality because of two reasons. One, customers expect service from specialty stores and two, it is important for smaller companies with lower budgets to create customer loyalty, because it is much more cheaper to keep existing customer than to find new ones. Service quality was explained with the help of the quality dimensions and the relational quality dimension was suggested as one way for the case company to create a competitive advantage against competitors. The SERVQUAL model was also explained as it is the most widely used model to measure service quality, However, findings from other studies revealed that this might not be the best way to measure service quality from a retail perspective.

The theory review continued with the concepts of store image and store atmosphere. It is important for retailers to create an appealing store image in order to attract customers and differentiating the store from competitors. The key factor is to create an image that matches with the targeted customers' expectations. A favorable store image affect purchase behavior, loyalty and provides the customer with "added value". A store can, for example, affect customers perceptions by using different layouts. In addition, customer perceptions was explained on the basis of our five senses in order to deeper understand the reasons behind customer perceptions and how the perceptions are formed.

The theory behind product range, examined the importance of an appropriate product assortment and the effects it has on the store image. When customers chose products they do it according to their needs and wants and ultimately they will chose the product that offers most satisfaction for money. From a retailer perspective the products should always be chosen keeping in mind the desired store image. A right chosen product strategy do not only affect customers shopping experiences in a positive way it also affects the store image in a positive way. However, for a small store it is almost impossible to keep a wide product range and at the same time compete with low prices, therefore, a small store should offer something unique in order to stand out. The most commonly used

merchandise strategies was presented and the portfolio matrix was introduced as one way for storeowners to keep track on their products performances.

In conclusion the three theory parts affects one another and in many cases they also walk hand in hand; for example, the perceived service quality is affected by the store image and without looking at the product range and assortment measured store image will probably not be reliable.



## **5. RESEARCH METHODOLOGY**

The theories behind customer perceptions of service, products and store attributes have been discussed in the previous parts. In the following chapter, the most appropriate methods for measuring customer perceptions within a small business are presented. However, when selecting the most suitable method the limited amount of resources a small business or store has are considered, in addition, the restrictions this thesis contain are taken into account. The research method and the design of the questionnaire are presented in the middle of the chapter and at the end, the outcome of the study is presented followed by analyses.

### **5.1. Research methods**

In order to answer the research questions stated in the beginning of this thesis in the best possible way a literature review on the current topic was conducted. The literature review laid the foundation for the descriptive research.

In a descriptive research, the intention is to describe and understand different phenomena, for example, what do customers think of CASA? Descriptive research can be structured and inflexible in its forms and therefore, exploratory research is often used prior to the descriptive in order to gain more insights, in form of, for example a literature review. Using descriptive research is an efficient way of collecting quantifiable information and together with accurate theory it gives explanations to, as well as a good understanding of, the research questions (Wrenn, Stevens, Loudon 2002, 37-39).

The table below (table 2) will explain the different research methods available and clarify the advantages and disadvantages with each method, taking into consideration this specific research.

Tabel 2: Available research methods (See e.g. Hague, Hague, Morgan 2004 or Wrenn et al 2002)

Method	Explanation	Advantage	Disadvantage
<b>Telephone interviews</b>	Used for simple and structured interviews from a wide geographical area.	<ul style="list-style-type: none"> <li>• time efficient</li> <li>• reasonably low costs</li> <li>• little influence by the interviewer</li> </ul>	<ul style="list-style-type: none"> <li>• the interview needs to be rather short</li> <li>• question limitations</li> <li>• no possibility to show exhibits</li> </ul>
<b>Personal interviews</b>	Used for a more in-depth questioning and understanding	<ul style="list-style-type: none"> <li>• better clarifications</li> <li>• fewer misunderstandings</li> <li>• accuracy</li> </ul>	<ul style="list-style-type: none"> <li>• costs</li> <li>• interviewer bias</li> <li>• organizing of the interviews</li> </ul>
<b>Self-completion questionnaires</b>	Questionnaires found in various places. Filled in by the respondents on their own	<ul style="list-style-type: none"> <li>• cheap</li> <li>• respondents can take their time</li> <li>• anonymous</li> <li>• can cover a wide geographical area</li> </ul>	<ul style="list-style-type: none"> <li>• very low response rates</li> <li>• no possibilities for explanations</li> <li>• the respondents may not be representative</li> </ul>
<b>Depth interviews</b>	Provides a different perspective and a deeper understanding of attitudes and behaviors compared to other more structured interviews	<ul style="list-style-type: none"> <li>• deeper understanding</li> <li>• usually the face-to face advantage</li> <li>• validity</li> </ul>	<ul style="list-style-type: none"> <li>• costs</li> <li>• interviewer bias</li> <li>• time consuming if many respondents</li> <li>• requires skilled interviewer</li> </ul>
<b>Focus groups</b>	Gathers in-depth information on specific topics through group discussions	<ul style="list-style-type: none"> <li>• generates new ideas</li> <li>• few misunderstandings</li> <li>• deep understanding</li> <li>• respondents influence each other</li> <li>• cost effective, time efficient</li> </ul>	<ul style="list-style-type: none"> <li>• group hierarchy</li> <li>• requires skilled moderator</li> <li>• small samples</li> <li>• respondents influence each other</li> <li>• sensitivity issues</li> </ul>

All the above-mentioned methods have different pros and cons. In order to find the most valid answers for the research questions, the methods can be used on their own or as a combination between two or more methods.

After weighting the different methods against each other and considering the limitations of this study the best way of gathering answers to the stated research questions would be through a self-completion questionnaire. A telephone interview could be one way of ensuring that the response rate would not be too low but the costs associated with interviewing respondents on the telephone could become excessively high. Moreover, conducting personal interviews and focus groups would also be connected with the same problems, the additional costs. Depth interviews could be another alternative, since they do not necessary have to be conducted face-to-face, but the responses collected through depth interviews could be difficult to analyze and time consuming. Furthermore, the costs of conducting depth interviews are comparatively higher than self-completion questionnaires.

There are different types of self-completion questionnaires, the most common ones are questionnaires sent out to the respondents through email or questionnaires that the respondents fill in on the internet. This particular research will be done through both mail questionnaires and questionnaires handed out in store. The reason behind this is to increase the response rate. The company has only a limited database with their customer's contact information and no information at all about their customers email addresses; this means that self-completion questionnaires on the internet are not possible. However, since this is not the type of store you visit every week even though you are a regular customer the questionnaires were also sent out to the customers. The customers were asked in the letter that followed with the research to hand in the questionnaires to the store. The letter included two motivators to overcome the problem with low response rates. The first one stated why it was important for the company and the researcher that they responded. The second motivator told the participants that everyone who hands in the questionnaire would receive a gift. By both sending out some of the questionnaires to the company's existing customers and by

leaving the rest of the questionnaires to be filled in on site the number of respondents were increased. Altogether 100 questionnaires were sent out. Most of Sisustus CASAs customers are Swedish or Finnish speaking, therefore in order to avoid as many misunderstandings as possible the questionnaires were also in Finnish and Swedish.

With this method, it was possible to capture both the regular customers' opinions as well as the opinions from customers just passing by. All customers' opinions are important in order to fully understand the customers' perceptions about the store. Another advantage for the company with this method was that it gave them the possibility to update their customer database.

The benefits from conducting these types of self-completion questionnaires are that the respondents can be confident about their anonymity. This is important especially since the case company is a small business with many long-term customers. Without being sure of their anonymity, it might prevent the respondents from revealing negative feedback if they know the owner and the store well. A questionnaire filled in or handed in on site, contrary to other questionnaires, has also the advantage for the researcher that he/she can be rather confident that the actual respondent has filled it in and not someone else. The main advantage with this method is however that the respondents can be reached easily with a minimum of costs. This is also, together with the literature review, a proper method to use in a study like this. In order to minimize the negative impacts the disadvantages might have to the research it is vital that both the questionnaire itself and the introduction letter is written in the best possible way (see e.g. Hague et al 2004).

In the next paragraph the most essential aspects concerning the design and the questions of this specific questionnaire is discussed.

#### **5.1.1. Questionnaire design**

There are several ways of measuring customer perceptions of store image, product range and service. By tradition, image has been measured with bi-polar scales;

however, there have been a considerable amount of discussions if perceptions should be measured with structured or non-structured scales.

Chowhury, Reardon and Srivastava (1998) argues in their study that even though both a structured and a non-structured scale has its pros and cons when measuring store image and the elements of store image, the use of non-structured scales should, in most cases, be avoided. The advantages using structured scales are that the problems associated with coding are avoided, it is less time consuming to analyze structured scales and since the response rate for questionnaires already are low, a non-structured scale could decrease it even more because unmotivated respondents will probably not fill in a non-structured questionnaire. Unmotivated respondents are more likely to fill in structured questionnaires due to the reason that it is easier and take less time (Chowhury, Reardon, Srivastava 1998, 72).

Nevertheless, the advantages from using a non-structured scale are that the researcher does not limit the respondents in any way and that the character of the store image is more fully captured. Previous studies on the subject have shown that the results obtained from non-structured scales are harder to apply for retailers than results obtained from structured questionnaires (Reardon, Miller, Coe 1995, 85). Structured questions are also the best method for self-completion questionnaires (Hague et. al 2004, 99). Therefore, when considering the advantages and disadvantages, this questionnaire mostly consisted of structured questions.

## **5.2. Validity and Reliability**

Validity refers to that a research measures what it in fact is intended to measure, while reliability, on the other hand, refers to that the results obtained from a research will be reliable also after repeated measures or after measures made by someone else then the original researcher. There are several ways to assure and improve validity and reliability of a study and it is vital that this is done since it is important that all studies made fulfill the criteria of a valid and reliable research (Wrenn et. al 2002, 122-126).

In this particular research, validity was improved by conducting a pre test of the questionnaire, making sure that the questionnaire actually measured what it was intended to measure and that the respondents understood the questions. The pre test included filling in the questionnaire and a discussion about whether the questions were clear or not. After the pre test, some of the questions were removed or changed. In addition, before the actual questionnaire was handed out the supervisor assessed the questionnaire and gave comments in order to reduce mistakes and improve the structure of the questionnaire. The reliability of this research was assured since the respondents did not encounter with the researcher or was affected by the researcher in any other way. Since this was a self-completion questionnaire through mail and in store, the respondents could also be sure of keeping their anonymity.

### **5.3. The structure of the questionnaire**

The questionnaire consisted all together of 12 questions divided into four different parts. The first and the second question were general questions, age and gender.

The rest of the questionnaire consisted of specific questions and statements about Sisustus CASA divided into three sections; store attributes or image, service and products. After each section room were left for additional comments. In the three last sections the respondents also had the opportunity to pick the “don’t know” answer. This opportunity was added in case there were respondents who had not experienced all of the statements.

### **5.4. Data analysis**

The questionnaires were analyzed with help of SPSS and Excel. At first, some general aspects of the questionnaire will be discussed and later on analyzes and findings from the sections will be presented accordingly.

As already mentioned 100 questionnaires were sent out and out of these 100, 25 respondents handed in the questionnaire. This makes the total response rate among the questionnaires that was sent out 25%, in addition to this one has to remember that no reminders were sent out. Concerning the chosen survey method

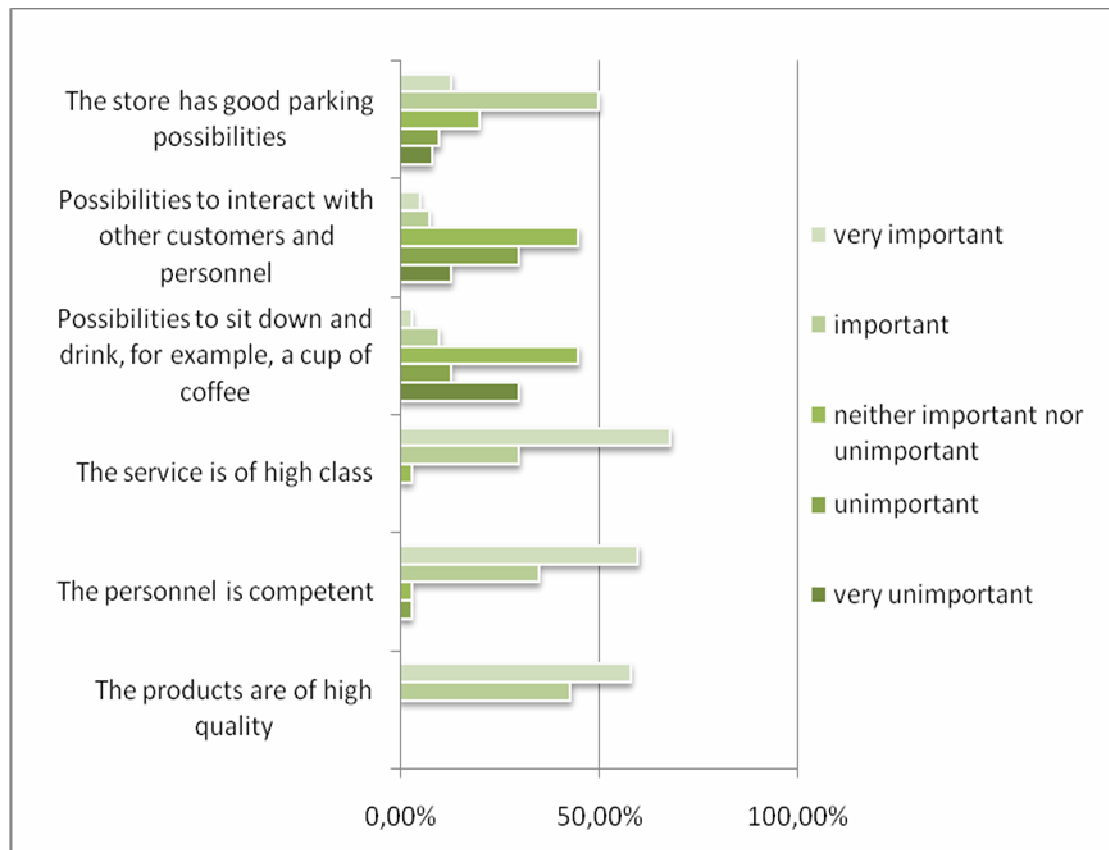
a response rate of 25 % is still within the average (Wimmer, Dominick 2006, 205). However, 15 respondents filled in the questionnaire on site, which means that the actual number of respondents was 40. Out of these 40 respondents, 13 answered in Finnish and only two of the respondents were men. Sisustus CASA could in the future focus more on aspects in their advertisement that would attract more men and Finnish-speaking customers. Overall, the scores were very high, still some questions were rated with lower scores, even though they might be only relatively lower, the analyses will focus on these parts where there is still room for improvements. Nevertheless, before analyzing the questionnaire deeper one has to remember that the number of respondents is quite low.

#### **5.4.1. Part one - General**

The first part in the questionnaire consisted of general statements regarding interior shopping. The respondents were asked to take position whether or not they considered the statements important on a scale from one to five. One corresponded to “very unimportant” and five to “very important”. These statements were asked in order to find out if there were any gaps between the respondents’ general opinions about interior shopping and their specific opinions about the case company. Overall, the respondents found most of the statements to be “important” or “very important”, yet there were still interesting disparities (figure 4).

The statement that was considered most important among almost all the respondents was that the products should be of high quality. 57,5% of the respondents considered this “very important” and the rest 42,5 % considered the statement “important”, this means that the median for this statement was 5. Other statements that scored high rates were that the personnel should be friendly and competent. 67,5% of the respondent also considered good service to be “very important”. On the contrary, the respondents deemed that the possibilities to sit down and take, for example, a cup of coffee during shopping were very unimportant. As much as 30% of the participants considered this “very unimportant”, only 12,5 % of the respondents considered it to be “important” or “very important”. This means that the mean for this statement was 2,43. Another

statement that was not considered important when shopping for interior on a general basis was the possibilities to spend time with or interact with other customers and personnel during shopping. 42,5 % of the customers considered this statement to be either “very unimportant” or “unimportant”.



**Figur 4: General statements, important vs. unimportant.**

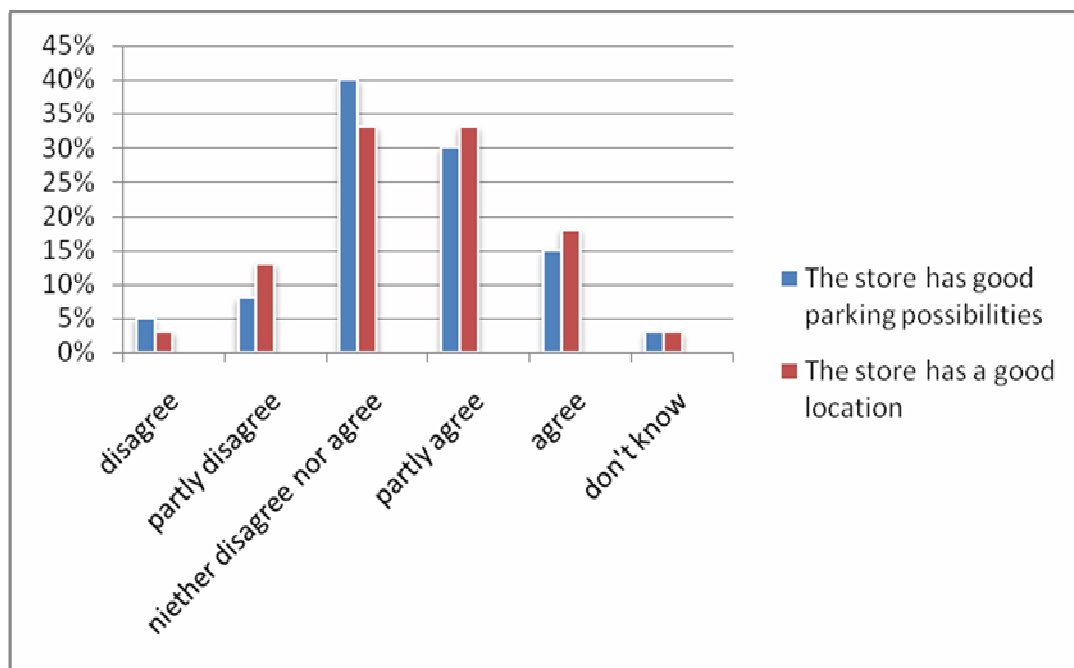
These results shows that the relational quality dimension, referred to in the theory part, does not to all extents be valid in this context. When customers choose a place for interior shopping, they do not base the decision on the possibilities to interact with other customers or personnel. However, the relational quality dimension can also be referred to as the relationship to the service provider, perceived by the customer. This study supports more the later definition of relational quality. This assumption is based both on the result and the comments given by the respondents and on the discussions with the storeowner.



#### **5.4.2. Part two – Image**

This section consisted of specific statements regarding the image of the case company, the respondents were asked to take position whether or not they agreed with the statements on a scale from one to five. One corresponded to “disagree” and five to “agree”. The “I don’t know” option was added in case there were respondents who had not experienced all of the statements. The statements consisted of factors that affect customers’ perception of store image and store atmosphere. A question about how often the respondent visit the store, as well as, room left for additional comments was added in the end of this section.

In general, customers were very satisfied with the atmosphere and the image of the store. The only statements that distinguished from the others were the statements regarding “the store has good parking possibilities” and “the store has a good location” (figure 5). The responses were very scattered. Concerning the parking possibilities 12,5% of the respondents partly disagreed or disagreed, 40% did neither agree or disagree while the rest 45% partly agreed or agreed, only one of the respondents choose the I don’t know option. Even more respondents disagreed or partly disagreed with the statement regarding the location. However, 50% did also agree or partly agree that the store had a good location. The mean value for these statements was 3,5 and 3,58 and the mode value 3 and 4.



**Figure 5: Statements regarding parking possibilities and location**

On the contrary, almost the entire sample experienced the store to be both fresh looking and clean and on the specific questions regarding a good image and a good atmosphere none of the respondents answered that they partly disagree or disagree. The results shows that company has a good image and a good atmosphere and this is very important since it affects customers store preferences, how often and from how far the customers visit the store and most importantly customer loyalty.

As established earlier, Sisutus CASA is not the type of store you visit every week, the question regarding how often the respondents visit the store also confirmed this. 65% of the respondents deemed that they visit the store few times a year while 22% claimed that they visited the store once a month. On the other hand, when analyzing the additional comments, comments were made indicating that it is popular to stroll by the store every now and then for inspiration. The study also verified these indications because, many of the respondents deemed that the shop windows are appealing.

The questions regarding the layout of the store and how easy it is for the customers to find what they are looking for inside the store received relatively lower scores. At the moment the store is using a free-form layout with elements from other layout types. The free-form layout is a typically used layout among specialty stores and it is a suitable layout to use for the case company. By adding more structure it will be easier for the customer to find what they are looking for, a more structured layout will better support the store attributes and eventually the store image. The boutique layout was mentioned as a complement to the free-form layout, however, due to the limited amount of space inside the store, this layout is not a option.

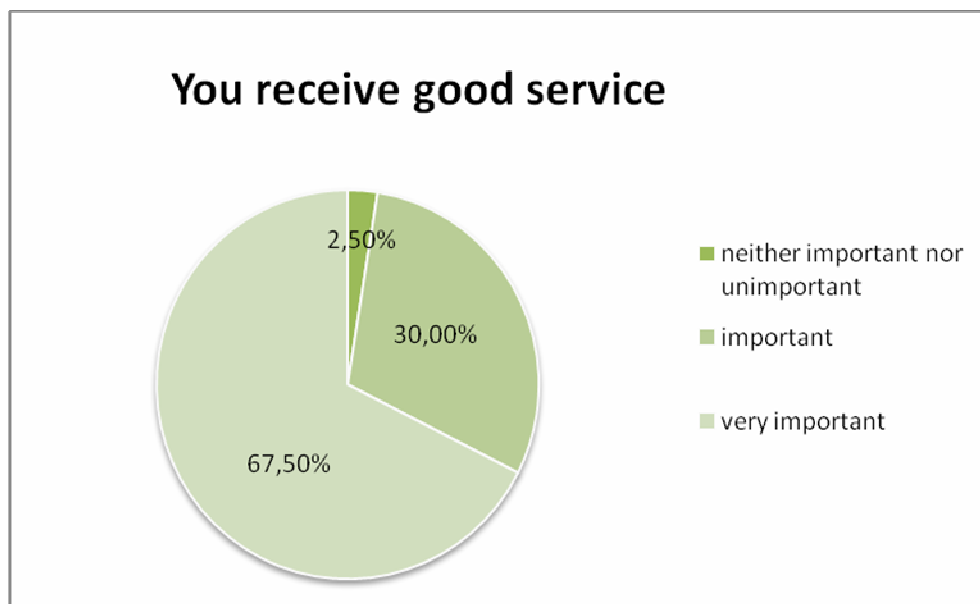
In the future, one way for the store to improve the image even more would be to keep in mind the role our senses plays when forming perceptions. By obtaining a deeper understanding on how perceptions are formed and the reasons behind them it is easier to influence them.

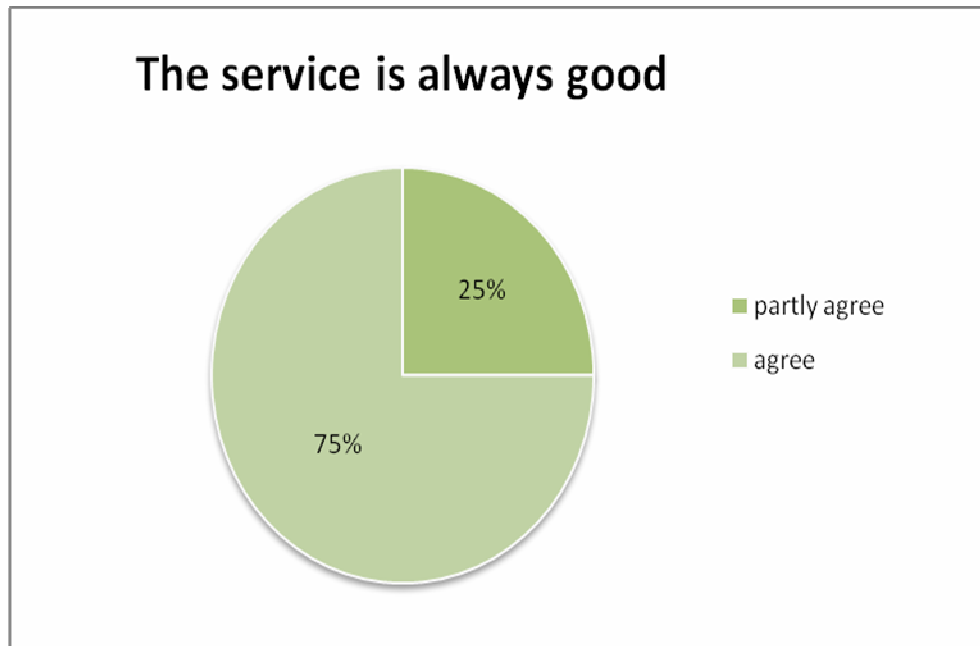
#### **5.4.3. Part three - Service**

Section three was focused on how the respondents experience the service they receive when visiting Sisustus CASA. Also in this section, the respondents were asked to take position whether or not they agreed with the statements on a scale from one to five, they were also asked to compare the service they receive with the service they receive in other similar stores. Generally this was the section that was rated with the highest scores, the weakest mean value in this section was 4,58, which can not be considered weak. None of the respondents partly disagreed or disagreed with any of the statements.

Service is important and essential for a small speciality store but customers are always expecting service when visiting speciality stores, hence service cannot be seen as the one factor that gives the case company most advantage compared to other stores. Customers rated on an average Sisustus CASAs service to be better than the service received in similar stores and when the customers were asked on a general basis how important it is with service, when shopping for interior and furniture, almost all respondent answered very important or important. This shows

that the customers are already expecting service. Moreover, a clear gap between customers expectations, when it comes to service, and their experiences from the case company's service cannot be seen (figure 6). Quite the reverse, 75% of the respondents claimed that they always receive good service when visiting Sisustus CASA. When customer's experiences exceed their expectations, customer satisfaction together with situational and personal factors will result in customer loyalty. Again, the results showed on customer satisfaction and loyalty. This is something the case company all the time need to strive for because, keeping the existing customers satisfied is much more cheaper than to try to find new ones.





**Figur 6: Statements regarding service** (the upper pie chart illustrates the respondents' general opinions about the importance of service while the lower pie chart demonstrated the respondents' opinions about the service they have received when visiting the case company)

Oderken-Schroder et. Al suggested in their research that the third quality dimension, the relational quality dimension could be seen as a competitive advantage. However, this seems no to be valid in this context. Among the general statements in the beginning of the questionnaire the statements that were considered least important, among the respondents, were the ones regarding relational quality and additional possibilities to interact with other customers and personnel. However, as already discussed in the beginning of the analyses and in the theory part the definition of relational quality varies. Relational quality can still be considered important for the case company but from another perspective.

#### **5.4.4. Part four- Products**

In the last part, the respondents were asked to take position in 11 different statements regarding the products in the store. The scale was from one to five, one corresponded to disagree and five to agree. The result states that the participants are satisfied with the quality of the products; they also consider the products to be trendy, timeless and to stand out from other products by having that "extra

something”. Most of the respondents also stated that they were in general satisfied with the products they bought and that the products were worth the money.

Nevertheless, the respondent were divided regarding the statements “new products are presented in the store often enough” and “there are enough products to choose from”. 20% of the participants picked the I don’t know option in the first statement, 2,5% partly disagreed and as many as 15% neither agreed or disagreed. However, one has to remember that since many of the respondents only visit the store a few times per year, it can be difficult to form an opinion. The mean value among the ones who had an opinion was 3,97. In the second statement, “there are enough products to choose from”, 25% neither disagreed nor agreed, 5% partly disagreed, one picked the “I don’t know” option and the rest partly agreed or agreed.

Question 11a and 11b asked the participants if there are any product categories they miss or if they would like to see more products from a specific category. 25 respondents answered yes, 12 no and three respondents did not at all answer. Out of the ones who responded yes, most would like to see more lamps and gift items added to the product range (Table 2). Suggestions made on other products were, for example, fair trade products, interior literature and products from Artek and Laura Petersen.

**Table 3: Suggestions for additional products**

	Responses	%
Lamps	11	32%
Textiles	4	12%
Furniture	4	12%
Gift items	10	29%
Other	5	15%

		100%
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One of Sisustus CASAs most competitive advantages are that they sell products of high quality and many products that can not be found elsewhere in the region. The study supported these facts; All the respondents claimed that it was either very important or important with high quality and when asked specific about the case company's product quality 77,5% of the respondents agreed that the products was of high quality, the rest 22,5% partly agreed. When analysing the additional comments made by the respondents many gave positive feedback about the uniqueness of the products and the fact that, they cannot be found in other stores in the area.

Previous studies have shown that price is a key aspect within the furniture sector, however those findings do only partly agree with this study. When asked about how important advantageous prices are only 15% claimed it was very important, 47,5 % important, the rest, 30% claimed that it was neither important nor unimportant and 7,5% stated that it was unimportant. When comparing these facts against the statement "the products are worth the money" the findings shows clearly that, the respondents are willing to pay a relatively higher price for products with high quality and with a good image.

When analysing the statements regarding product range and product assortment deeper the study shows that, the product range partly meet the respondent's expectations; a part of the respondents would like to see a wider and a deeper assortment. Since it is a speciality store, there are limitations to the possibility of a wider and deeper assortment. The case company could in the future focus more on how they display the products in store as well as the layout of the store. This will effect the perception of the product range as well.

## **6. CONCLUSION AND DISCUSSION**

The previous chapter focused on the research methods, the structure of the questionnaire and the outcome and analysis of the questionnaire. In this part the outcome from the discussions with the case company will be given, suggestions for improvements as well as general conclusions.

The purpose of this paper was to find out how the case company's existing customers perceive the store, how they experience the service they receive and the products they are offered. The research revealed a very positive result, the customers service expectations are met and surpassed and the existing customers' have in general a very positive attitude towards the atmosphere and image of the store. Nevertheless, the results also showed on aspects the case company can work on in the future in order to improve the customers' perceptions even more. This study helped the case company to discover and learn more about their customers' opinions and perceptions. By doing so, they learn how to serve their customers even better in the future.

In addition to the objectives of the thesis this study also examined if the international articles used in the research methodology were valid within this specific framework. The reason behind this originates from the fact that it is difficult to find studies on customer perceptions from an interior store perspective. The results proved that this is not always the case. Customer perception studies done within other industries or segments does not always be valid because customers choose and value different things when shopping for, for example, food. Hence, the study showed the importance of doing customer perception studies and not entirely depend on previous studies, moreover, if the results are compared to other studies they should be compared to studies within the same segment.

### **6.1. Discussions with Sisustus CASA**

Analyses and results can be understood in a numerous of ways. In order to fully understand them and be able to interpret them it is essential to also obtain the case



company's viewpoint. Therefore, the results was presented and discussed with the case company. When exchanging ideas and discussing with each other new perspectives arise and ideas are formed.

The analysis was presented to the owner of the store and she gave her viewpoints and comments on the results. On a general basis the responses was very positive and the results showed on the strengths the company possesses when it comes to excellent customer service and uniqueness.

When analyzing the results the first obvious weakness was the lack of male respondents, only 5% of the respondents were men. However, the case company experience that many of their regular customers are men, but unlike women, they have not earlier been interested in newsletters or other forms of advertisements. This factor can partly explain the low response rate among men. The case company believed that a typical customer is a rather fastidious customer that knows what s/he wants. The results support this statement; many of the respondents claimed for example that they did not perceive interactions with other personnel or customers to be important nor possibilities to sit down during shopping. In other words, they know what they are in the hunt for and they appreciate quality products and good service, they do not visit the store only to look around and to spend time.

The statements regarding location and parking possibilities was among the statements that received lowest scores. The case company is aware of this but it is a complex issue, closely connected to factors such as profitability, costs and available store premises. In order to keep existing customers it is important to choose a new location carefully, the location of the business is something that affects the image of the company as well.

The store is constantly developing its product range and assortment by keeping in mind that the customers are looking for unique products and design classics. Many respondents requested more lamps and gift items in the future. The storeowner also confirmed this, a higher demand for lamps have been seen and the

reasons behind this might be that there are fewer stores in the city nowadays that offer lamps.

## **6.2. Suggestions for improvements**

The questionnaire revealed the customers' perception of the store, its service, image and product assortment. In a future study the research methodology could be improved by adding more focus on the reasons behind these perceptions. Understanding the reasons behind customers' perception could give the case company valuable information and deeper insights. This would be important in the future, for example, if considering changing location. A more profound research methodology could be complemented with an extended research, for example, a depth interview or personal interviews with the focus on more open-ended questions. This can be done within any of the thesis three topics; service, store image or product assortment.

Relatively much research and studies on customer perceptions has already been conducted but the research is often related to department stores or grocery stores. The findings are often very industry specific and therefore, they are hard to apply on other retail sectors and it is difficult to know if they are applicable. Hence, another suggestion for improvement is to do a similar study for a similar store in another country.

Retailing is nowadays much more international than it used to be, therefore it would be interesting to compare the results from this study against the results from another store within the same industry and segment. When comparing the results against each other both stores could benefit from the results. Knowing one another's strengths and weaknesses originates in new ideas and perspectives and it is possible to learn from others mistakes.

Concerning the questionnaire itself, some changes could be made if conducting a similar study again. The rating scales disagree, partly disagree, neither disagree nor agree, partly agree and agree was mainly used. The positive answer option was all the time on the right hand side; in the future, this could be changed on

some questions in order to verify that the respondents read the questions carefully and not just tick any option.

The “I don’t know” option was added on some questions in case there were respondents who had not experienced all of the statements. However, only few respondents used this option and therefore, it could be considered to be left out in the future. The “I don’t know” option makes the analyzing in SPSS more difficult and this is another reason for leaving it out. Nevertheless, it always needs to be considered. Without this option, respondents might tick anywhere even though they are not familiar with the statement.

Another alternative that could be considered in the future is to ask the respondents to rate the statements from most important until least important. This would give a clearer picture about their opinions. When only asking how important a statement is many respondents tend to consider most of the statements important. On the contrary, one has to remember that it demands much more from the respondents to rate the statements and this might lead to that, some of them do not fill in the questionnaire at all.

## 7. SUMMARY

The purpose of this thesis was to examine customer perceptions from an interior store perspective; this was done with the help of a case company, Sisustus CASA.

The objectives were two folded, with the aim to analyze the existing customers' perception of the store, the service and the product assortment and to investigate how the company can use this knowledge and develop their business and customer service even further. The theoretical part of the thesis was divided into three parts; customer perception of service, store image and product assortment.

Humans are daily exposed the millions of different stimuli and when exposed to stimuli a process start that selects, arranges and interprets this stimuli around us and adjusts it to become ones own view of the world. Two people will never experience the same and for that reason, it is essential for every company to know the customers perceptions of their business. All interactions that occur between the company and its customers ultimately affect the customers' perception of the business.

Depending on store type, customers expect different service quality. The case company can be described as a specialty store for design furniture, lightning, carpets and fabrics and customers do expect a more wide-ranging service when it comes to specialty stores. Therefore, high customer service can be seen as essential. Service quality was explained with help of the SERVQUAL model and the quality dimensions.

The concepts of store image and store atmosphere are very wide and they consist of several different dimensions. Frequently included dimensions are customers' image of facilities, clientele, convenience and products. A favorable store image affects not only purchase behavior in a positive way, a positive correlation between customer satisfaction and loyalty has been seen as well. Since it is with our senses we obtain stimuli the theory part also discussed in what way it influences our perceptions when entering a store.

The last theory part considered customer perceptions of the product range. Naturally, customers will perceive stores differently depending on the products they are offered. All products serve a purpose and when deciding what product to offer to the consumers, it is important to keep in mind that the products ultimately should offer a solution to the customers' problem, either a practical solution or an emotional. How the products are presented and displayed in store, as well as how width or depth the assortment is, affects customers' perceptions of both the product range and the store image. The portfolio matrix was presented as one way of maintaining control over how the products are performing. The matrix offers, as well, an explanation to how the performances of the products can be improved.

With the theory as a base a questionnaire was constructed that would examine customer perceptions of the case company. There had been done a considerable amount of studies already on customer perceptions but the findings from an interior perspective were few. Findings from other studies do not necessarily be applicable and it was important to the case company to know the customers' perceptions of the store.

A self-completion questionnaire was considered the best way to obtain answers to the stated research questions. Self-completion questionnaires are both cheap, easy to fill in and analyze and, most importantly, suitable to use in this context. The questionnaires were both left in the store to be filled by visiting customers and sent home to their regular customers. With this method, it was possible to capture both the regular customers' opinions as well as the opinions from customers just passing by. All customers' opinions are important in order to understand the customers' perceptions about the store entirely.

Altogether 100 questionnaires were sent out and in total, 40 respondents filled in the questionnaire. Since most of the case company's customers are Swedish or Finnish speaking the questionnaire was translated into both languages. The questionnaire consisted of 12 questions divided into four parts. The first part asked the respondents to take position in several statements regarding interior shopping on a general basis. The rest of the questionnaire consisted of specific

statements and questions about the case company regarding their image, service and product range. The general questions about interior shopping were asked in order to find out if there were any clear gaps between the customers' opinions and their experiences from Sisustus CASA.

The results were analyzed using SPSS and Excel. On a general basis, the outcome was very positive. The respondents experienced the image of the store to be good; moreover, they deemed that the store offers products of high quality and products that are unique. However, even though the respondents considered the case company's customer service to be good, this cannot be seen as their most competitive advantage. The reason behind this is that customers do expect excellent customer service when visiting specialty stores. Even though the responses were positive, there were still parts that received relatively lower scores and these parts can be developed in the future. For example, the study showed that the product range and assortment only partly met the respondents' expectations.

The analyses were presented to the case company in order to get their viewpoint and opinions on the result. This was done with the intention to get a deeper understanding and a new perspective on the result.

Even though the study did not reveal any earthshaking results, it still showed that the company is on the right track, it also gave the company a better foundation to stand on before making decisions in the future. Moreover, the study showed the importance of customer perceptions and that customer perception studies does not always be applicable within all retail sectors, some previous studies proved not to be valid within this specific framework.

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## APPENDIX 1

### Questionnaire

**Questions 1-3 are general questions, the remaining questions 4-11 are questions concerning only Sisutus CASA.**

**1. Gender**    ☐ Women    ☐ Men

**2. Age** ☐ below 20 ☐ 21-30 ☐ 31-40 ☐ 41-50 ☐ 51-60 ☐ over 61

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**3. Please take position in the following statements. Mark on the scale below *how important you consider the following statements to be* when you select a place for your furniture, textile and furnishing shopping.**

(1 = very unimportant, 2 = unimportant, 3= neither important nor unimportant, 4= important, 5 = very important)

	Very unimportant			Very important	
a. The personnel is friendly	1	2	3	4	5
b. The personnel is professional	1	2	3	4	5
c. You receive good service	1	2	3	4	5
d. The interior in the store is appealing	1	2	3	4	5
e. The image of the store is good	1	2	3	4	5
f. The prices are advantageous	1	2	3	4	5
g. The products are trendy	1	2	3	4	5
h. The products are of high quality	1	2	3	4	5
i. The store is environmental conscious	1	2	3	4	5
j. The store offers brand-name products	1	2	3	4	5
k. Possibilities to spend time with other customers and personnel	1	2	3	4	5
l. The store offers extra service (e.g. interior advices, home delivery, customer evenings)	1	2	3	4	5
m. Possibilities to sit down and drink, for example, a cup of coffee	1	2	3	4	5
n. The store has good parking possibilities)	1	2	3	4	5

## The remaining questions concerns only Sisustus CASA

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### CASAs image

#### 4. Please take position in the following statements regarding the image and the atmosphere of the store.

(1 = disagree, 2 = partly disagree, 3 = neither agree nor disagree, 4 = partly agree, 5 = agree, 6 = don't know)

	Disagree					Agree	Don't know
	1	2	3	4	5		6
a. The shop windows are appealing	1	2	3	4	5		6
b. The store feels fresh	1	2	3	4	5		6
c. The atmosphere in the store is appealing	1	2	3	4	5		6
d. It is easy to find what you are looking for inside the store	1	2	3	4	5		6
e. The store is clean	1	2	3	4	5		6
f. The layout of the store is logic	1	2	3	4	5		6
g. The lightning in the store is good	1	2	3	4	5		6
h. The image of the store is good	1	2	3	4	5		6
i. The store has good parking possibilities outside	1	2	3	4	5		6
j. The location of the store is good	1	2	3	4	5		6

#### 5. How often do you visit Sisustus Casa?

☐ once a week ☐ two times a month ☐ once a month ☐ a few times per year ☐ more often

#### 6. Do you have any additional comments regarding the image or the atmosphere of the store?

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## CASAs service

### 6. Please take position in the following statements regarding our service and personnel.

(1 = disagree, 2 = partly disagree, 3 = neither agree nor disagree, 4 = partly agree, 5 = agree, 6 = don't know)

	Disagree					Agree	Don't know
a. The service is always good	1	2	3	4	5		6
b. The personnel is friendly	1	2	3	4	5		6
c. The personnel is professional	1	2	3	4	5		6
d. The personnel is helpful	1	2	3	4	5		6
f. The personnel gives good advices	1	2	3	4	5		6

### 7. Compared to other similar stores, how do you rate our service?

(1 = a lot better, 2 = better, 3 = somewhat the same, 4 = worse, 5 = a lot worse)

A lot worse   1   2   3   4   5   A lot better   6   don't know

### 8. Other comments regarding our service?

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## CASAs products

### 10. Please take position in the following statements regarding the range of our products.

(1 = disagree, 2 = partly disagree, 3 = neither agree nor disagree, 4 = partly agree, 5 = agree, 6 = don't know)

	Disagree			Agree		Don't know
	1	2	3	4	5	6
a. The products are of high quality	1	2	3	4	5	6
b. The product range meet your expectations	1	2	3	4	5	6
c. There are enough products to choose from	1	2	3	4	5	6
d. There are enough products within each product line (e.g. the products are available in a sufficient number of sizes and colors)	1	2	3	4	5	6
e. The products are classic	1	2	3	4	5	6
f. The products are trendy	1	2	3	4	5	6
g. The products are timeless	1	2	3	4	5	6
h. The products have that "extra something"	1	2	3	4	5	6
i. New products are frequently presented	1	2	3	4	5	6
j. Generally, I am satisfied with the products in the store	1	2	3	4	5	6
k. The products I have bought are worth the money	1	2	3	4	5	6

### 11. Do you miss any of the following product groups within our assortment or would you like to see more products within any of the following categories?

Lamps, textiles, furniture, gift items, other

☐ 1. Yes      ☐ 2. No

**11 a. If yes, what groups?**

- ☐ lamps
- ☐ textiles
- ☐ furniture
- ☐ gift items
- ☐ other, what? \_\_\_\_\_

**12. Do you have any other comments regarding the products in our store?**

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Thank you so much for participating in our survey, your opinions are important for us. We will do our best in order to keep you satisfied also in the future. Welcome!